



MEDIA RELEASE

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ALASKA MINERAL INDUSTRY SUSTAINS BILLION DOLLAR VALUE FOR SEVENTH CONSECUTIVE YEAR

The minerals industry accounted for an estimated \$1.073 billion of Alaska's economy in 2002, surpassing the \$1.022 billion value from 2001, according to a report released today by the Division of Geological & Geophysical Surveys (DGGs). Of the total industry value, \$26.5 million was exploration investment, \$34.0 million was development expenditure, and \$1,013 million was the gross value of the mineral products. The low level of development investment (\$34.0 million) in 2002 compared with \$81.2 million reported in 2001 was more than offset by the increased value of mineral products in 2002 (\$1.013 million) compared with 2001 (\$917.3 million). A 10 percent increase in exploration expenditures helped reverse the downward trend in exploration seen in the past 4 years. The minerals industry provided 2,824 high-paying jobs in Alaska during 2002.

Most regions of Alaska saw some exploration during 2002, with almost half of the exploration funds spent in southwestern Alaska. Eastern Alaska was the next most active region, but expenditures there dropped almost to half of previous year levels. More than \$17 million was spent exploring for gold and associated precious metals across the state. NovaGold Resources' Donlin Creek gold property in southwestern Alaska proved the largest exploration project in the state, with continued aggressive exploration during 2002. A new resource estimate for Donlin Creek announced in late 2002 increased measured and indicated resources. Total resources are now touted at 23.1 million ounces of gold (average grade 0.102 ounces per ton), ranking Donlin Creek the world's 22nd largest gold deposit ever discovered.

Other large exploration projects were Northern Dynasty's Pebble gold-copper project in southwestern Alaska, Kinross Gold's Fairbanks mining district gold exploration program, and Kennecott's polymetallic exploration program at Greens Creek Mine. Diamonds found during drilling at Shulin Lake near Talkeetna, and continued platinum exploration near Paxson and in southeastern Alaska point to Alaska's potential for a wide variety of mineral deposits.

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The 58 percent decline in development investment mainly reflects completion of several ongoing projects, particularly at Red Dog Mine in northern Alaska, and a pause in bringing new projects into the development phase. Small development projects were reported at the Fort Knox/True North mine complex, Usibelli Coal Mine, and Pogo project in the interior, and at the Kensington project and Greens Creek Mine in southeastern Alaska.

The estimated value of Alaska's mine production in 2002 is \$1.0128 billion, a 10 percent increase over the \$917.3 million reported in 2001. Of this total, \$823.1 million was for metals, \$152.2 million was for industrial minerals, and \$37.6 million was for coal and peat. Zinc remains the most important mineral commodity in Alaska. Production at Greens Creek Mine reached record levels, and was robust at Fort Knox and Red Dog mines. Placer gold production of 22,000 ounces was comparable to production in the previous year.

In the government sector, the U.S. Mine Safety and Health Administration (MSHA) presented True North Mine with a Sentinels of Safety Award; Ray Lester and the U.S. Bureau of Land Management (BLM) received reclamation awards from DNR. DGGGS conducted geologic mapping in the Salcha River-Pogo geophysical tract in interior Alaska, contracted an airborne geophysical survey in the Council area east of Nome, and released geophysical survey results from the southeastern Pogo, Broad Pass, and Bonnifield areas. Airborne geophysical surveys funded by BLM and managed by DGGGS were flown in the Denali Block west of Paxson, and in the Sleetmute area. The U.S. Geological Survey continued studies across Alaska and BLM conducted a 7-week field program in the Delta River mining district in eastern and southcentral Alaska.

Special Report 57, *Alaska's Mineral Industry 2002* may be downloaded in Adobe Acrobat PDF format from the DGGGS Web site (<http://www.dggs.dnr.state.ak.us>) or obtained from DGGGS at 3354 College Road, Fairbanks, Alaska 99709-3707 (phone 907-451-5020). The 70-page free booklet can also be obtained from the DNR Public Information Center, 550 West 7th Avenue, Suite 1260, Anchorage, Alaska (907-269-8400) and from DCED's Division of Trade & Development in Fairbanks and Anchorage. Mail orders should be sent to the Fairbanks DGGGS office (fax 907-451-5050).

The report will be available for inspection beginning November 18, 2003, at the Alaska Resources Library and Information Service, 3150 C Street, Suite 100, Anchorage, and at the Historical Collection of the Alaska State Library in the State Office Building in Juneau. The Historical Collection is available from 1 to 5 p.m. Monday through Friday (907-465-2927).

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